

# **Newfield Township, Michigan**



## **Financial Statements** For the Year ended March 31, 2006

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Newfield Township, Michigan	County Oceana
Fiscal Year End March 31, 2006	Opinion Date September 18, 2006	Date Audit Report Submitted to State September 29, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

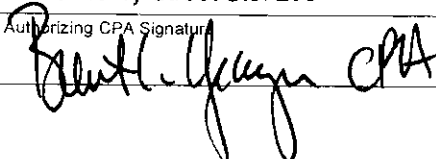
YES  
2

**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Pridnia LaPres, PLLC		Telephone Number 231-739-9441	
Street Address 3145 Henry Street Ste. 200		City Muskegon	State MI
		Zip 49441	
Authorizing CPA Signature 		Printed Name Brent C. Yeager CPA	License Number 1101021594

# Newfield Township, Michigan

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## **Independent Auditors' Report**

To the members of the  
Newfield Township Board of Trustees

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Newfield Township, Michigan, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Newfield Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements listed in the table of contents present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Newfield Township, Michigan as of March 31, 2006, and the results of the operations of such activities for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison schedule (identified in the table of contents) are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

*Pridnia Lapres, PLLC*

September 18, 2006

**Newfield Township, Michigan**  
**Management's Discussion and Analysis**  
**March 31, 2006**

**Using this Annual Report**

This annual report consists of a series of financial statements. The Governmental Wide Statement of Net Assets and the Government Wide Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

**The Township as a Whole**

The Township's combined net assets decreased 4.0% from a year ago, decreasing from \$284,870 to \$273,369. This was the result of Township spending on Road Improvements. In a condensed format, the table below shows key financial information:

	March 31, 2006
Governmental Activities	
Current assets	\$ 188,662
Noncurrent assets	113,186
Total Assets	\$ 301,848
Long-term debt outstanding	\$ 8,055
Other liabilities	20,424
Total Liabilities	\$ 28,479
Net assets	
Invested in capital assets - net of debt	\$ 105,131
Restricted	5,968
Unrestricted	162,270
Total Net Assets	\$ 273,369

Unrestricted net assets - the part of net assets that can be used to finance day to day operations was \$162,270 at March 31, 2006.

	March 31, 2006
<b>Governmental Activities</b>	
Program Revenues	
Charges for services	\$ 12,686
General Revenues	
Property taxes	113,074
State shared revenues	130,064
Investment earnings	864
Miscellaneous	40,801
<b>Total Revenues</b>	<b>297,489</b>
Program Expenses	
General government	91,722
Public safety	191,648
Public works	12,427
Recreation and culture	7,551
Unallocated depreciation	5,642
<b>Total Expenses</b>	<b>308,990</b>
<b>Change in Net Assets</b>	<b>\$ (11,501)</b>

The Township's total net assets continue to remain healthy. The total revenues of \$297,489 increased by 8% over the prior year and expenses of \$308,990 increased by 7.5% over the prior year. As a result, net assets decreased by \$11,501.

#### **Governmental Activities**

The Township's total governmental revenues increased by \$45,676 in fiscal year 2006. The following revenues decreased: State Shared Revenue, which dropped \$1,013 or 1% and Permits dropped \$360 or 29%. These decreases were offset by increases in property taxes.

Expenses increased by about \$78,705 over the prior year.

### **Business-Type Activities**

The Township had no business-type activities.

### **The Township's Fund**

Our analysis of the Township's major fund follows the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The Township's major fund for March 31, 2006 was the General Fund.

The General Fund pays for most of the Township's governmental services. More than half of the General Fund expenditures are made up of Road Improvements and Fire Department Coverage, amounting to \$190,586; \$141,827 and \$48,759, respectively. The 2005 Road Improvement expenses completes our previous long term road plan. The Fire Department expenses remains at our original approved millage level and we expect this to maintain in the near future.

### **General Fund Budgetary Highlights**

Over the course of the year, the Township Board found it necessary to amend the budget to take into account events during the year. The Board over-expended on one activity as reported in the notes to the financial statements.

### **Capital Asset and Debt Administration**

At the end of March 31, 2006, the Township had \$113,186 invested in capital assets, including land, buildings, and equipment. In addition, the Township has invested significantly in roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads property of the Oceana County Road Commission (along with the responsibility to maintain them).

### **Economic Factors and Next Year's Budgets and Rates**

The Township's budget for 2006/2007 calls for a small increase in property taxes due to the limited allowed property value increases (the lesser of inflation or 5%). The Township also projects that state shared revenue will decrease slightly. General Fund expenditures were budgeted for 14% decrease from the previous budget.

### **Contacting the Township's Management**

This financial report is intended to provide our citizens, taxpayer's customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.



# Newfield Township, Michigan

## Statement of Net Assets

<b>March 31, 2006</b>		<b>Governmental Activities</b>
<b>Assets</b>		
Cash and cash equivalents		\$ 96,381
Taxes receivable		92,281
Capital assets, net (Note 3)		113,186
<b>Total Assets</b>		<b>\$ 301,848</b>
<b>Liabilities</b>		
Accounts payable		\$ 20,424
Long-term debt (Note 4)		
Note payable - due within one year		4,382
Note payable - due in more than one year		3,673
<b>Total Liabilities</b>		<b>28,479</b>
<b>Net Assets</b>		
Invested in capital assets-net of related debt		\$ 105,131
Restricted for Permanent Fund - nonexpendable		5,968
Unrestricted		162,270
<b>Total Net Assets</b>		<b>\$ 273,369</b>

*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Statement of Activities

<i>Year ended March 31, 2006</i>	Expenses	Program Revenues	
		Charges for Services	Governmental Activities
Primary Government			
General government	\$ (91,722)	\$ 1,363	\$ (90,359)
Public safety	(191,648)	11,323	(180,325)
Public works	(12,427)	-	(12,427)
Culture and recreation	(7,551)	-	(7,551)
Unallocated depreciation	(5,642)	-	(5,642)
<b>Total Primary Government</b>	<b>\$ (308,990)</b>	<b>\$ 12,686</b>	<b>(296,304)</b>
General Revenues			
Property taxes			113,074
Grants and contributions			130,064
Unrestricted investment earnings			864
Miscellaneous			40,801
<b>Total General Revenues</b>			<b>284,803</b>
<b>Change in Net Assets</b>			<b>(11,501)</b>
<b>Net Assets – April 1, 2005</b>			<b>284,870</b>
<b>Net Assets – March 31, 2006</b>			<b>\$ 273,369</b>

*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Governmental Funds

### Balance Sheet

<i>March 31, 2006</i>	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 90,413	\$ 5,968	\$ 96,381
Taxes receivable	92,281	-	92,281
<b>Total Assets</b>	<b>\$ 182,694</b>	<b>\$ 5,968</b>	<b>\$ 188,662</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	20,424	-	20,424
<b>Total Liabilities</b>	<b>20,424</b>	<b>-</b>	<b>20,424</b>
Fund Balances			
Reserved for perpetual care	-	5,968	5,968
Unreserved	162,270	-	162,270
<b>Total Fund Balances</b>	<b>162,270</b>	<b>5,968</b>	<b>168,238</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 182,694</b>	<b>\$ 5,968</b>	
Capital assets used for governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet			113,186
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet			(8,055)
<b>Net Assets of Governmental Activities</b>			<b>\$ 273,369</b>

*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Governmental Funds

### Statement of Revenue, Expenditures and Changes in Fund Balance

<i>Year ended March 31, 2006</i>	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 113,074	\$ -	\$ 113,074
State revenue sharing	130,064	-	130,064
Licenses and permits	1,363	-	1,363
Charges for services	11,323	-	11,323
Interest	864	-	864
Other	40,801	-	40,801
<b>Total Revenue</b>	<b>297,489</b>	<b>-</b>	<b>297,489</b>
<b>Expenditures</b>			
Township board	10,248	-	10,248
Supervisor	9,289	-	9,289
Elections	4,297	-	4,297
Fire coverage	48,759	-	48,759
Assessor	16,666	-	16,666
Township clerk	11,898	-	11,898
Board of review	1,289	-	1,289
Township treasurer	20,335	-	20,335
Township hall and grounds	5,352	-	5,352
Cemetery	18,317	-	18,317
Zoning administrator	4,039	-	4,039
Zoning board	2,651	-	2,651
Road improvement	141,827	-	141,827
Street lighting	1,062	-	1,062
Park and recreation	7,551	-	7,551
Insurance and bonds	5,658	-	5,658
Debt service	3,126	-	3,126
<b>Total Expenditures</b>	<b>312,364</b>	<b>-</b>	<b>312,364</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(14,875)</b>	<b>-</b>	<b>(14,875)</b>

# Newfield Township, Michigan

## Governmental Funds

### Statement of Revenue, Expenditures and Changes in Fund Balance

<i>Year ended March 31, 2006</i>	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources</b>			
Proceeds from issuance of long term debt	4,800	-	4,800
<b>Excess Revenues and Other Financing Sources Under Expenditures</b>	(10,075)	-	(10,075)
<b>Fund balance - April 1, 2005</b>	172,345	5,968	178,313
<b>Fund balance - March 31, 2006</b>	\$ 162,270	\$ 5,968	\$ 168,238

*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

*Year ended March 31, 2006*

<b>Net Change in Fund Balances – Total Governmental Funds</b>	<b>\$ (10,075)</b>
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Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report outlays for capital assets as expenditures; in the  
statement of activities, these costs are depreciated over their  
estimated useful lives.

Capital Outlay	5,890
Depreciation expense	(5,642)
	248

Proceeds from the issuance of long term debt provides current resources but does not affect net assets	(4,800)
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,126
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<b>Change in Net Assets of Governmental Activities</b>	<b>\$ (11,501)</b>
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*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Statement of Net Assets- Fiduciary Funds

		<u>Agency Fund</u>
		Tax Collection Fund
<i>March 31, 2006</i>		
<b>Assets</b>		
Cash and investments		\$ 692,799
<b>Liabilities</b>		
Due to other governments		\$ 692,799

*The accompanying notes are an integral part of this statement.*

# Newfield Township, Michigan

## Notes to Financial Statements

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### **1. Summary of Significant Accounting Policies**

#### **Reporting Entity**

The Newfield Township, Michigan (Township) was established pursuant to Public Acts 33 and 57 of 1951. The purpose of the organization is to provide government for Newfield Township. The Township is governed by a Board whose membership is comprised of a supervisor, clerk, treasurer and trustees elected by general election in the township.

The financial statements of the township include those of separately administered organizations that are controlled by or dependent on the township. The criteria for including organizations within the township's reporting entity, as set forth in GASB No. 14 "The Reporting Entity", is financial accountability. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the governing boards. Based upon the above criteria, there are no other organizations included in these financial statements.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities ) report information on all of the activities of the Newfield Township.

The Statement of Activities demonstrates the degree to which the direct expenses of providing township services are offset by the revenues designated to fund those services.



# Newfield Township, Michigan

## Notes to Financial Statements

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### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are all collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

State-shared revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period, when applicable. All other revenue items are considered to be available only when cash is received by the Township.

The Various funds are presented in these financial statements as follows:

*General Fund* - This fund is used to account for all financial transactions not accounting for in another fund, including the general operating expenditures of the Township.

# Newfield Township, Michigan

## Notes to Financial Statements

### Capital Assets

Capital assets, which include property and equipment, are reported in the Statement of Net Assets column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Equipment	3 - 10 years

### Budgets and Budgetary Accounting

As mandated by PA 621 of 1978, all township funds are required to be under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the township board.

The budget is prepared by the Township Treasurer, together with the Township Clerk. The budget is then presented to the Township Board for approval.

PA 621 of 1978 Section 18(1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. Expenditure overages occurred the following activities:

Budget Item	Budget Appropriation	Actual Expenditures
General Fund - Road Improvement	\$121,500	\$ 141,827

# **Newfield Township, Michigan**

## **Notes to Financial Statements**

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### **Encumbrances**

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### **Donations**

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. All non-cash donations are recorded at their estimated fair market value as of the date of the contribution.

### **Cash Equivalents**

The Township considers all short-term investments with an original maturity of three months or less to be cash equivalents.

### **Property Taxes**

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and are due before February 14. The Township uses December 1 as its levy date and December 31 as its lien date.

# Newfield Township, Michigan

## Notes to Financial Statements

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### Post-Employment Benefit Plans

The Township has no defined pension or post-employment benefit plan as of March 31, 2006.

### Compensated Absences

The Township had no accumulated unpaid compensated absences at March 31, 2006.

## 2. Cash

Michigan Compiled Laws authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

At year-end, the Township's deposits were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds
Cash and Cash Equivalents	\$ 96,381	\$ 692,799

# Newfield Township, Michigan

## Notes to Financial Statements

The bank balance of the Township's deposits is \$1,047,954, of which \$135,968 is covered by federal depository insurance, \$911,986 is uninsured and uncollateralized.

3. **Capital Assets** Capital assets activity of the Township for the period ended March 31, 2006 was as follows:

	Balance April 1, 2005	Additions	Deletions	Balance March 31, 2006
<b>Governmental Activities</b>				
Capital assets not depreciable:				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Capital assets being depreciated				
Buildings	125,700	-	-	125,700
Equipment	19,200	5,890	-	25,090
Subtotal	144,900	5,890	-	150,790
Less accumulated depreciation for:				
Buildings	(34,282)	(3,133)	-	(37,415)
Equipment	(7,680)	(2,509)	-	(10,189)
Subtotal	(41,962)	(5,642)	-	(47,604)
<b>Governmental Activities Total Capital</b>				
Assets - Net of Depreciation	\$112,938	\$ 248	\$ -	\$ 113,186

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities - Unallocated \$5,642

# Newfield Township, Michigan

## Notes to Financial Statements

### 4. Long-term Liabilities

Long-term liabilities consist of two obligations to banks for various equipment purchases. The obligations are unsecured. The full faith and credit of the Township is pledged for their repayment.

The activity for the period ended March 31, 2006 can be summarized as follows:

Governmental Activities	Interest Rate	Principal Matures	Beginning Balance	Additions (Reduction)	Ending Balance	Due Within One Year
Equipment loan	4.35%	April 2006	\$ 6,381	\$ (3,126)	\$ 3,255	\$ 3,255
Equipment loan	4.15%	August 2009	-	4,800	4,800	1,127
					<u>\$ 8,055</u>	<u>\$ 4,382</u>

Annual debt service requirements to maturity for the above obligations are as follows:

Year ending March 31,	Governmental Activities	
	Principal	Interest
2007	\$ 4,382	\$ 341
2008	1,175	152
2009	1,224	104
2010	1,274	53
	<u>\$ 8,055</u>	<u>\$ 650</u>

### 5. Risk Management

The Township participants in a public official bond plan provided by Michigan Township Participating Plan, and a workman compensation plan provided by the Accident fund of Michigan. As of March 31, 2006 there were no known claims against the Township.

## **Required Supplemental Information**



# Newfield Township, Michigan

## Budgetary Comparison Schedule - General Fund

<i>Year ended March 31, 2006</i>	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Property taxes	\$104,300	\$104,300	\$113,074
State revenue sharing	119,500	130,064	130,064
Licenses and permits	1,905	1,905	1,363
Charges for services	11,300	16,100	11,323
Interest	1,000	1,000	864
Other	39,100	39,100	40,801
<b>Total Revenues</b>	<b>277,105</b>	<b>292,469</b>	<b>297,489</b>
<b>Expenditures</b>			
Township board	9,400	10,250	10,248
Supervisor	10,200	9,300	9,289
Elections	4,000	4,300	4,297
Fire coverage	48,758	48,759	48,759
Assessor	20,000	16,700	16,666
Township clerk	12,200	11,900	11,898
Board of review	1,500	1,300	1,289
Township treasurer	19,200	20,400	20,335
Township hall and grounds	10,000	5,500	5,352
Cemetery	18,700	21,500	18,317
Zoning administrator	4,200	4,050	4,039
Zoning board	2,900	2,683	2,651
Road improvement	90,000	121,500	141,827
Street lighting	1,400	1,100	1,062
Park and recreation	3,000	7,560	7,551
Insurance and bonds	6,000	5,660	5,658
Unallocated	15,647	7	-
Debt service	-	-	3,126
<b>Total Expenditures</b>	<b>277,105</b>	<b>292,469</b>	<b>312,364</b>
<b>Excess of Revenues Under Expenditures</b>	<b>-</b>	<b>-</b>	<b>(14,875)</b>



# Newfield Township, Michigan

## Budgetary Comparison Schedule - General Fund

<i>Year ended March 31, 2006</i>	Original Budget	Final Budget	Actual
<b>Other Financing Sources</b>			
Proceeds from issuance of long term debt	-	-	4,800
<b>Excess Revenues and Other Financing Sources</b>			
Under Expenditures	-	-	(10,075)
<b>Fund balance - April 1, 2005</b>	172,345	172,345	172,345
<b>Fund balance - March 31, 2006</b>	\$ 172,345	\$172,345	\$162,270

# **Newfield Township, Michigan**



## **Management Letter**

**Year ended March 31, 2006**

To the members of the  
Newfield Township Board of Trustees

During the course of our audit of the financial statements of Newfield Township, Michigan as of March 31, 2006 and for the year then ended, we observed the Township's significant accounting policies and procedures and certain administrative, and financial practices.

As a result of our observations, we have prepared for management's review and evaluation, the enclosed memorandum containing suggestions regarding internal control, financial and administrative practices of Newfield Township, Michigan.

Matters which related to internal accounting control were not of a magnitude that would effect the presentation of the financial statements.

We appreciate the cooperation from management and the staff of Newfield Township, Michigan that our personnel received during the audit.

*Pridnia LaPres, PLLC*

September 18, 2006

# Newfield Township, Michigan

## Management Recommendations

### Bank Reconciliations

During our audit of the Township for the year ended March 31, 2006, we noted that bank reconciliations are not being reviewed.

#### Recommendation

We recommend that the Township Board or its designee review bank reconciliations on a monthly basis and that such reviews be evidenced in writing. The timely preparation and review of bank reconciliations will help ensure that all related accounting transactions are recorded on a timely basis and that all reconciling items are efficiently identified and resolved.

### Accounting System

During our audit of the Township for the year ended March 31, 2006, we noted that separate accounting records are being maintained by the Township Clerk and Treasurer, and that the records are not being reconciled on a monthly basis.

#### Recommendation

We recommend that the accounting records and software for the Township be maintained at the Township Hall in one accounting program. Eliminating secondary programs and records will help ensure that all accounting transactions are posted and that there are no discrepancies in accounting records between Township employees.

### Uniform Chart of Accounts

The Uniform Chart of Accounts for Counties and Local Units of Government in Michigan has been developed under the authority of PA2 of 1968. The primary objective of the classification of accounts is to provide a means for the accumulation of financial information which will be uniform for all local units. Secondly, the accounts are provided to facilitate the preparation of prescribed reports. Thirdly, the Chart follows Generally Accepted Accounting Principles (GAAP) and Michigan Law. During our audit of the Township for the year ended March 31, 2006, we noted that the Township is not in compliance with the Uniform Chart of Accounts.

#### Recommendation

We recommend that the Township modify their general ledger trial balance to be in compliance with the Uniform Chart of Accounts.

# **Newfield Township, Michigan**

## **Management Recommendations**

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### **Distribution of Property Taxes**

Local units that have collected tax revenues for another taxing unit must distribute the collection in accordance with MCL 211.43 (Section 43(3) of the General Property Tax Act, PA 206 of 1893, as amended). The Township was delinquent in distributing property taxes during its fiscal year ended March 31, 2006.

#### **Recommendation**

The Township should distribute collected tax revenues in accordance with the requirements of MCL 211.43.